

## CHAPTER 3

### LOCAL PURCHASE AUTHORITY

3-1. **GENERAL.** a. Local purchasing is a method by which minor purchases of commodities may be made by the using activity without resorting to more formal, time consuming, and expensive procurement procedures.

b. Local Purchase Authority (LPA) is extended to individuals who, due to the nature of their assignment and the mission of their organization, are required to procure materials. Service and repair orders and/or rentals are not authorized.

c. Although most goods are obtained by submission of a requisition through channels to the Purchasing and Contracting Branch, it has been found that utilization of the local purchase authorization program is a quick, convenient and cost effective part of the Military Department's procurement system.

(1) This program is quick and immediately responsive because as rapidly as a justifiable need is recognized, action can be taken within the overall limitations of the LPA document.

(2) The program is convenient in that goods valued at \$100 or less may be obtained locally without the time lapse experienced when a requisition is forwarded through channels to the Purchasing and Contracting Branch.

(3) The program is cost effective in that it eliminates the expense associated with preparation of requisitions at the local level, submission through channels, and issuance of a purchase order.

d. A fund manager who identifies a requirement for frequent small purchases of items required locally on short notice may seek to establish a LPA, by making a written request to the Purchasing and Contracting Branch.

3-2. **PROGRAM ELEMENTS AND RESPONSIBILITIES.** The Local Purchase Authority procurement program consists of two elements: responsibilities and actions by the fund manager involved; and, procedures and authority of the Purchasing and Contracting Branch.

**a. Fund Manager's Responsibilities.**

(1) The fund manager must designate, from the options provided by Purchasing and Contracting Branch, the specific types (categories) of items to be purchased.

(2) Fund manager must formally designate the specific individual(s) authorized to purchase under authority of the LPA.

(3) Fund manager must allot a specific amount of money from account(s) under his control which will then only be available for encumbrance via the LPA.

**b. Purchasing and Contracting Branch Responsibilities.**

(1) The Chief, Purchasing and Contracting Branch will determine, based upon consultation with the fund managers involved, what categories of commodities will be permitted to be procured within the LPA Program. The respective fund managers may further restrict the scope of LPA authorizations issued to individuals and activities under their control. However, the scope of authority may not be expanded.

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(2) The maximum allowable dollar value of documents issued by respective LPA holders will be determined by the Chief, Purchasing and Contracting Branch up to the legal limit of \$100. The maximum order amount is specified on the Local Purchase Authority authorization document issued by Purchasing and Contracting Branch.

(3) The Supervisor, Accounts Payable Section, will audit LPA documents forwarded from issuing activities and claims for payment presented by commercial enterprises with emphasis on the following factors:

(a) Articles procured are within the scope authorized by the specific LPA issued to the respective activity.

(b) Appropriate small/minority/woman/disabled veteran business enterprise designation codes are annotated on record copy of LPA document. Minority and woman owned business enterprises who are self certifying will have completed the Minority/Women Business Enterprise (M/WBE) Certification (STD 842) which the fund manager will insure is attached to the LPA.

(c) LPA document is mathematically correct (including trade discounts, if applicable).

(d) LPA document has been issued in compliance with other provisions of this regulation.

(e) A Drug-Free Workplace Certificate, completed and signed by the vendor, is on file in CAST-PC or attached.

c. **Purchasing and Contracting Branch Authority.** The Purchasing and Contracting Branch Chief has the authority to restrict the utilization of the LPA Program to whatever extent is required to insure complete compliance with the State Administrative Manual, procedural rules of the Office of Procurement, and policies of the Military Department.

3-3. **PROGRAM CONSIDERATIONS.** a. Personnel delegated Local Purchase Authorization are responsible for insuring that the State is getting the best buy for its money. This is done by competitive buying. Normally, competitive buying is accomplished by obtaining at least two price quotations for each purchase. While there are times and circumstances in which it is not practical to obtain two quotations, this practice should be followed whenever possible.

(1) In those cases where competitive bids are received, the name(s) of the vendor(s) submitting bids and the amount of the bid will be noted on or attached to the purchaser copy (copy 4) of the Sub-Purchase Order.

(2) In those cases where it was determined to be impractical to secure competitive bids a brief explanation will be entered on or attached to the purchaser copy of the Sub-Purchase Order.

(3) Multiple purchases are authorized only when the following two conditions exist:

(a) Materials being purchased are separate commodities (e.g. paint, grass seed, etc.) and are being purchased for separate projects. Projects should be identified on STD 40A when issuing more than one order to a vendor on the same day, and,

(b) The vendor was selected as low bidder as a result of two competitive bids. (Competitive bids are required for all purchases for which there are multiple sources).

b. In instances when a vendor was selected because materials are not available from other sources, a justification must be annotated in the description block of the Sub-Purchase Order. The justification must explain why it is not available from other vendors.

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c. Success of the Local Purchase Authorization program rests with vendor acceptance of the purchase document in the field, which is based upon prompt payment. This is achieved by insuring that a legible, accurate, and mathematically correct Sub-Purchase Order (STD Form 40A) is prepared and forwarded to the Military Department Accounts Payable Section within 24 hours of purchase. Following this procedure allows for sufficient processing time at both the Military Department and the Office of the State Controller.

d. An LPA may extend for any length of time designated by the fund manager except that LPAs will not normally be established for less than 30 days (except for State Emergency operations) and no LPA may extend beyond 30 June of any year. LPAs normally are effective for a full State fiscal year.

e. Fund managers must forward a request to Purchasing and Contracting Branch no later than 15 May of each year if it is desired that an expiring LPA be replaced with a new LPA on 1 July. That is also the appropriate time to review the conditions and limitations of the respective LPA and to request any changes the fund manager might wish for the upcoming fiscal year. Request for renewal or amendments to LPA conditions shall be submitted in the format identified in Figure 3-1, page C-1. This format provides easy identification and processing for LPA renewals and amendments. Requests submitted in other formats shall be rejected.

**3-4. PROGRAM RESTRICTIONS.** a. Only those materials specified on the LPA document may be purchased.

b. Local Purchase Authorization is delegated to the individual whose name appears on the authorization document and cannot be redelegated.

c. The following items are not authorized for local purchase:

(1) Services and/or repairs.

(2) Rentals.

(3) Items classified as equipment.

(4) Items from vendors outside the geographical boundaries of the State of California.

d. The small business status of the vendor and the minority/women/disabled veteran status of the business owner(s) must be shown on the LPA document.

e. A Drug-Free Workplace Certification (STD 21) must be attached to each LPA unless the vendor currently has a certification on file with the Purchasing and Contracting Branch.

**3-5. PROCEDURAL STEPS.** a. Standard Form 40A will be used for all purchases procured under the LPA Program. Particular attention is invited to the fact that the Form 40A serves as Sub-Purchase Order, Vendor's Invoice and Stock Received Report. See Figure 3-2, page C-2.

b. Form 40A is normally filled out at the vendor's business establishment at time of purchase. Vendor must sign and show title in appropriate space provided in the upper right hand corner of form certifying that payment has not been received. Show vendor invoice number or the shipping tag number or attach the invoice.

c. Writing or printing must be legible on all copies. Ball point pen or typewriter must be used. Care should be taken in completion of this form as alterations cannot be made on price or price extensions.

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d. The "Ship to" portion in upper center of form will include the issuing activity, street, address and city of the installation at which materials are to be received.

e. The block marked "Trade Discount" will be filled out. If no discount, indicate by writing in the word "none".

f. If the vendor will give the State a discount if the bill is paid within a specified period of time, enter the discount and time period in the space marked "Cash Discount". Discounts for payment in nineteen days or less are not allowed and will not be entered on the LPA document.

g. Insure that the quantity, units, and description are correct and that unit prices are properly extended before signing. If this information is correct, sign on the lower right portion of the form in the block marked "Authorizing Signature" and "Signature of Receiver". Just below the signature in the block marked "Title", enter Area Coordinator, Custodian, Base Engineer, etc., as appropriate.

h. The Local Purchase Authorization number, issued annually, will be entered in the Sub-Purchase Order number block, followed by consecutive numbering for each Sub-Purchase Order issued. By consecutively numbering each purchase order, every form can be accounted for.

i. In the "Charge to" portion of the form, print "Military Department, State of California ATTN: CAST-AP, P.O. Box 214405, Sacramento, CA 95821-0405".

j. If a number of items are purchased requiring more than one page, additional pages may be used by writing the words "page 1 of 2 pages", "page 2 of 2 pages", etc., in the upper right portion of this form above the "Charge to" address.

k. The small business status (see Para 1-8) of the vendor is entered followed by the ethnic code of the business owner(s). This notation is usually placed in the description column in the body of the LPA Form 40A. In the event that all the space in the body of the form is used the note may be entered at the top of the form just below the vendor's address.

l. LPA's issued without the above required information are unacceptable. See Figure 3-2, page C-2 for a properly completed LPA.

3-6. **DISTRIBUTION.** The instructions contained on the Standard Form 40A, relating to the distribution schedule for Standard Form 40A, are superseded. The following distribution schedule will apply:

a. Copy 1 is the Vendor's invoice and will be signed by the vendor in the block provided in the upper right portion of the form. This copy, along with copy 3 and 5 and the Drug-Free Workplace Certification, will be forwarded to Military Department ATTN: CAST-AP.

b. Copy 2 will be given to the vendor for his files.

c. Copy 4 will be retained by the purchaser (Area Coordinator, Base Engineer, etc.).

d. Remaining copies will be retained at the local level or disposed of.

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3-7. **RECORD MAINTENANCE.** a. One copy of each Sub-Purchase Order will be maintained by the Purchaser for the fiscal year in which the document is prepared and one additional year. These documents must be filed and stored in such a way as to facilitate a review or audit by Purchasing and Contracting Branch.

b. A record of LPA purchases (OTAG Form 37-3-2) to include a declining balance must be maintained along with one copy of each Sub-Purchase Order. See Figure 3-3, page C-3 for a sample format.

## CHAPTER 4

### DEPARTMENT DELEGATION PURCHASING

4-1. **OFFICE OF PROCUREMENT DELEGATION.** The Office of Procurement has delegated to the Military Department authority to make specific categories of open-market commodity purchases within certain dollar value limitations. This delegated authority is based upon the Military Department processing delegation purchase orders under the same criteria and with the degree of diligence as Office of Procurement would exercise if processing the request for procurement action.

4-2. **CRITERIA FOR DELEGATED PURCHASE ELIGIBILITY.** Criteria for Delegated Purchase Program eligibility is as follows:

- a. Total value of individual SLAMM group/class (first four digits of the SLAMM number) cannot exceed \$5,000.00, exclusive of freight and tax, on any one order.
- b. SLAMM group/classes can be combined on one order up to a maximum total expenditure of \$9,999.99 exclusive of freight and tax.
- c. Item(s) are not available from State Stores (Materials Services).
- d. Item(s) are not available from Prison Industry Authority.
- e. Item(s) are not listed on a current State Contract and/or State Price Schedule (SPS). Requests for items on a SPS may be submitted if the SPS price exceeds the price quoted by the reference open-market vendor and the product is of equal or better quality. A justification detailing cost savings and quality of non-SPS item is required.
- f. Order does not qualify for Local Purchase Authority acquisition, either due to specific category of item not authorized for purchase on the LPA, or due to the total value of the request exceeding the limit of the LPA.

4-3. **PROCEDURE FOR PURCHASE REQUEST.** Request procedure for purchase under the Delegated Purchase Program is as follows:

a. Preparation of request for procurement action (OTAG Form 37-3-4 Purchase Request). Utilization of a OTAG Form 37-3-4 is mandatory for all procurement actions including equipment purchases. RFPA will include the following information:

- (1) Title of organization making request (office symbol is sufficient for OTAG staff elements) and proper and complete (number, street, city, zip code) delivery address.
- (2) Full Description of the required item(s), including end item application, citing the proper "noun" and the 12 digit SLAMM stock item number. Complete SLAMM numbers are required to insure that delegated procurement actions are not issued for commodities available from mandatory sources (i.e. State Contracts, Price Schedules, Prison Industry Authority or Material Services/ State Stores).
- (3) A minimum of three price quotes are required for purchases exceeding \$1,000.00. A minimum of two quotes are required for purchases valued at \$1,000.00 to \$500.00. Purchases less than \$500.00 require only one quote. If the required number of price quotes are not obtained, a statement of justification must be submitted. Written price quotes from vendors are desirable

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but not required. If verbal price quotes are obtained, they must be recorded on OTAG Form 37-3-5 (1 Apr 87) Record of Price Quotation and forwarded with the request for procurement action. The OTAG Form 37-3-5 is required for all competitive RFPA's regardless of dollar value (see Figure 4-1, page D-1).

(4) When soliciting quotations, insure the vendor provides a price quotation that will be honored for at least 30 days. If the quotation will be honored for less than 30 days, so state in the RFPA.

(5) Vendor's name, address, phone number, vendor identification number and small business/ethnic and gender code are required on both the Purchase Request and the Record of Price Quotation. Those firms which have not been registered with the Office of Procurement or the Office of Small and Minority Business (OSMB) will not have a vendor I.D. number. Codes have not yet been assigned for disabled veteran business enterprises.

b. RFPA should be forwarded through approving supervisor to the responsible fund manager for approval.

c. Fund managers will sign the RFPA indicating approval and will specify the CALSTARS index code (4 digits), object code (3-5 digits) and Project Cost Account (PCA) (5 digits) from which this purchase is to be taken. Fund managers will forward five copies of the approved RFPA and the Drug Free Workplace Certification, if not currently on file, through the appropriate accounting branch (federal or state) to Purchasing and Contracting Branch for action. This procedure applies to all RFPA's.

d. RFPA for equipment purchases for all Military Department activities will be routed through the State Budget Branch (CAST-SB), Director of Facilities Engineering (CAFE-AM) and the appropriate Accounting Branch (State/Federal) for approval prior to any procurement action by the Purchasing Office (CAST-PC-PR).

**4-4. PROCESSING TIME REQUIREMENTS.** For planning purposes, requesting activities may assume that Department Delegated Purchase Program actions normally require 14 working days for completion after receipt by Purchasing and Contracting Branch. During peak periods (i.e. State/Federal fiscal year end), processing may require additional working days.

**4-5. STANDARD STATE ABBREVIATIONS.** Standard State abbreviations for units of quantity and dimension are listed in the introductory section of the Purchasing Information Network (PIN) Commodity Catalog, Volume 1 (see Figure 4-2, page D-2). State standard abbreviations must be used on RFPAs.

**4-6. PURCHASE OF REPLACEMENT PARTS.** Requests for the purchase of replacement parts for motors, refrigerator equipment, heaters, pumps, lawn mowers, etc., must show the make and model of the major item for which the replacement part is required.

**4-7. EQUIPMENT CONTROL NUMBER REQUIREMENT.** Requests for purchase of replacement parts for Military Department equipment items must show the California Adjutant General (CAG) Equipment Control number of the item for which the replacement parts are required.

**4-8. REQUEST FOR BUILDING MATERIALS.** Requests for building materials will include the following:

- a. Complete and accurate technical descriptions of all hardware.

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- b. Dimensions of all items, such as lumber, pipe fittings, glass, sheet metal, etc.
  - c. Quantity requested in correct units, e.g., square feet, lineal feet, board feet, pounds, gallons, etc.
  - d. Grade, if applicable.
- 4-9. An example of an RFPA for a Department Delegated Purchase transaction is found at Figure 4-3, page D-3.



## CHAPTER 5

### FORMAL PURCHASE ORDERS

5-1. **GENERAL.** Office of Procurement has retained authority to purchase all commodities required by the Military Department where the dollar value of the order will exceed the limitation of delegated authority, except State Contract, SPS or Prison Industry Authority (PIA) purchases. Splitting of orders to avoid monetary limitations is prohibited; such action could result in the revocation of the Military Department's delegated authority and require each and every procurement transaction to be processed as a formal purchase order by Office of Procurement.

5-2. **CRITERIA FOR FORMAL PURCHASE ORDER.** Criteria for a Formal Purchase Order submission is as follows:

- a. Value of SLAMM group/class. is greater than \$5,000.00, exclusive of tax and freight, or the total value of the order exceeds \$9,999.99.
- b. Item(s) are not available from Materials Services (State Stores).
- c. Item(s) are not listed on a current State Contract and/or State Price Schedule. If item(s) are listed on a SPS, the SPS price must significantly exceed the price quoted by reference open-market vendor listed on the RFPA.
- d. Item(s) are not available from Prison Industry Authority (PIA).

5-3. **REQUEST PROCEDURES.** Request procedure for purchase under the Formal Purchase Order criteria is as follows:

a. Preparation of a Request for Procurement Action (RFPA), OTAG 37-3-4 format as required by the respective fund manager. RFPA will contain the following information:

(1) Title of organization making request (office symbol is sufficient for OTAG staff elements) and complete delivery address.

(2) Full description of the required item(s) citing the full 12-digit SLAMM stock item number. Description must be detailed and provide sufficient information that the buyer at Office of Procurement can determine the characteristic of the item(s) required. Each item will reference manufacture and model/stock number followed by the statement "or equal". Manufacturer's specifications must be provided and referenced as an attachment after the statement "or equal" (i.e. "MFG Specs - See Attachment A").

(3) Multiple items on the RFPA must be listed in an ascending order (lowest to highest) by SLAMM stock item number.

(4) A single reference quotation from a vendor to establish a price range is required. More than one quotation may be solicited but only the lowest should be forwarded with RFPA. Written price quotation is encouraged, but not required.

(5) Reference vendor's name, address, phone number, name of point of contact, date of quotation and Federal Tax Identification Number assigned by the United States Internal Revenue Service. Federal Tax Identification numbers are assigned to business firms subject to employee taxes. Firms conducting business as a Sole Proprietor (doing business as an individual without employees) need only to provide their Social Security Number.

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b. RFPA must be forwarded through approving supervisor to the responsible fund manager for approval.

c. Fund managers will sign the RFPA indicating approval and will specify the CALSTARS index code (4 digits), object code (3-5 digits) and Project Cost Account (PCA) (5 digits) from which this purchase is to be taken. Fund managers will forward 5 copies of the approved RFPA for all purchases through the appropriate Accounting Branch (Federal/State) to Purchasing and Contracting Branch for action. Request for equipment purchases for all Military Department activities will be routed through the State Budget Branch (CAST-SB), Director of Facilities Engineering (CAFE-AM) and the appropriate Accounting Branch (State/Federal) for approval prior to any procurement action by the Purchasing Office (CAST-PC-PR).

d. RFPA arriving at Purchasing and Contracting Branch without sufficient detail in description of the article required and its characteristics will be returned without action to the originator, through the fund manager.

e. Request for procurement of equipment items to replace like items which have become lost, stolen, or unserviceable through fair wear and tear must be accompanied by a Property Survey Report (STD 152).

f. Requests for purchase of equipment should include the manufacturer's specifications of the item requested.

**5-4. PREPARATION OF PURCHASE ESTIMATE.** a. Based upon information contained in the RFPA, Purchasing and Contracting Branch will prepare a Purchase Estimate (PE) (STD 66) which is the Military Department's request to Office of Procurement to conduct this procurement action.

b. Upon receipt of the PE, Office of Procurement will solicit bids from qualified vendors including the referenced vendor provided by the originator.

**5-5. DISTRIBUTION OF PURCHASE ESTIMATE.** a. When Purchasing and Contracting Branch requests procurement action from the Office of Procurement a copy of the PE will be forwarded to the requesting fund manager.

b. Requesting activities are cautioned that receipt of a PE does not indicate that a purchase order has been issued. Receipt of a PE does not authorize the activity to order or accept merchandise from a vendor.

c. Fund manager must insure that the PE is reviewed to be sure it lists the required item(s). Discrepancies should be reported to the Purchasing and Contracting Branch immediately.

**5-6. PROCESSING TIME REQUIREMENTS.** For planning purposes, requesting activities may assume that following receipt by Purchasing and Contracting Branch, the minimum time required before issuance of a formal purchase order by Office of Procurement will be approximately ninety (90) days.

**5-7.** An example of RFPA for a formal purchase order transaction is found at Figure 5-1, page E-1.

## CHAPTER 6

### STATE CONTRACTS AND STATE PRICE SCHEDULES

6-1. **GENERAL.** a. Office of Procurement has negotiated a number of contracts for commodities which are required by various State agencies on a repetitive basis.

b. Advantages of the State Contract program include lower prices due to volume buying, price stability over the contract period, predetermined quality and specification guidelines, and established merchandise delivery provisions.

c. Purchasing from State contracts is mandatory where the minimum quantity and/or dollar value per order criteria can be met. Splitting of orders to avoid ordering an item from a contract vendor is prohibited.

6-2. **CRITERIA FOR STATE CONTRACT PROGRAM.** Criteria for State Contract program order submission are as follows:

a. Item is listed on a current State contract without geographic limitation which would prohibit delivery to the requesting activity.

b. Value of order is greater than the minimum shown on the contract and does not exceed the maximum value listed.

c. In cases where the contract minimum is expressed in unit quantities, rather than dollar value, the quantity of proposed order must meet the listed minimum.

6-3. **REQUEST PROCEDURE FOR STATE CONTRACTS.** Request procedure for a purchase under a State Contract is as follows:

a. Preparation of a Request for Procurement Action (RFP), on OTAG Form 37-3-4 as required by the respective fund manager. RFP will contain the following information:

(1) Title of organization making request (office symbol is sufficient for OTAG staff elements) and proper and complete delivery address (do not use P.O. Box).

(2) Short description of article as it appears on the contract and the full 12-digit SLAMM stock item number which will be shown on the contract. Multiple items on the RFP must be listed in ascending order (lowest to highest) by SLAMM stock item number.

(3) Price shown on the contract and the proper price extension based upon the number of units of each line item being ordered.

(4) Contract vendor name, address, and vendor identification number as shown on the contract.

(5) Contract number and expiration date.

b. RFP must be forwarded to the responsible fund manager for approval.

c. Fund managers will sign the RFP indicating approval and will specify the account from which this purchase is to be taken. Fund managers will forward approved RFP in accordance with procedures established in Chapter 4 paragraph 3.c of this regulation.

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d. An example of a RFPA for a State contract program purchase will be found at Figure 6-1, page F-1.

**6-4. PROCESSING TIME REQUIREMENTS.** For planning purposes, requesting activities may assume that State contract purchase orders will be processed by Purchasing and Contracting Branch within fourteen working days after receipt. During peak periods (i.e. State/Federal fiscal year end), processing may require additional working days. Length of time required for delivery by vendor after receipt of order is clearly stated in each contract.

**6-5. STATE PRICE SCHEDULES.** a. Office of Procurement has established various State Price Schedules (SPS) to permit direct ordering of primarily noncompetitive commodities by State agencies. SPS are not contracts and agencies are not required to purchase items from the schedules if similar quality goods may be purchased at a lower cost elsewhere. This action requires prior approval from the Department of General Services Office of Procurement which will be obtained by the Purchasing Section prior to issuance of a Purchase Order. A detailed justification must be provided with your RFPA in this instance.

b. State Price Schedules are convenient and efficient in those cases where goods covered on the schedule are adequate for the requesting activity's needs and prices are in a reasonable range because no comparison quotations are required and there is an assurance that the vendor will accept the order and deliver the merchandise within the timeframe specified on the SPS.

c. Material available on SPS will be ordered from SPS unless the requesting activity can identify an item of equal or better quality at a lower cost.

d. If extremely large quantities are requested from a SPS, Purchasing and Contracting Branch may convert the order to a Purchase Estimate in order to gain quantity discounts not available on the SPS.

e. Items available from Prison Industry Authority (PIA) must be purchased from the Prison Industries SPS. Purchases from PIA have no dollar limitations.

**6-6. REQUEST PROCEDURES FOR STATE PRICE SCHEDULES.** Request procedure for a purchase under the SPS program is as follows:

a. Preparation of a RFPA, on OTAG Form 37-3-4 by the respective fund manager. RFPA will contain the following information:

(1) Title of organization making the request (office symbol is sufficient for OTAG staff elements) and proper and complete delivery address.

(2) Complete description (to include vendor's stock numbers) and the full 12-digit SLAMM stock item number, listed in ascending order.

(3) Price shown on the SPS and the proper price extension based upon the number of units of each line item being ordered.

(4) SPS vendor's name, address, and vendor identification number as shown on the Price Schedule.

(5) SPS number and expiration date.

b. RFPA must be forwarded to the responsible fund manager for approval.

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c. Fund managers will sign the RFPA indicating approval and will specify the account from which this purchase is to be taken. Fund managers will forward approved RFPA in accordance with procedures established in Chapter 4, paragraph 3.C of this regulation.

d. An example of a RFPA for a SPS program purchase will be found at Figure 6-2, page F-2.

6-7. **PROCESSING TIME REQUIREMENTS.** For planning purposes, requesting activities may assume that SPS purchase orders will be processed by Purchasing and Contracting Branch within ten to fourteen working days after receipt. During peak periods (i.e. State/Federal fiscal year end), processing may require additional working days. Length of time required for delivery by vendor after receipt of order is clearly stated in each SPS.

## CHAPTER 7

### MATERIALS SERVICES (STATE STORES)

7-1. **GENERAL.** Materials Services Section is under the administrative direction of the Office of Procurement. Warehouses are located in Sacramento and Los Angeles. Each warehouse maintains a complete stock of basic stationery, office supply items, paints, janitorial supplies, textiles, maintenance supplies, and other general use commodities. Materials Services Section operates by means of a small markup that is added to all purchases to defray costs of handling.

7-2. **MATERIALS SERVICES CATALOG.** a. Materials Services Section issues a catalog, special supplements, and interim revisions listing and describing all available stock items and providing information necessary for ordering commodities from Stores stock. Periodically, Materials Services issues a supplemental price list and a bulletin containing information about new products, product uses, changes in procedure, etc.

b. The catalog and supplements are distributed to fund managers and approving supervisors at the air base/station, area officer, and training installation level. Only one copy will be provided unless otherwise specified by fund manager or approving supervisor.

7-3. **DELIVERIES FROM MATERIALS SERVICES.** a. Materials Services prices are FOB Destination (freight included in listed price) therefore no cost advantage accrues to the requesting activity for ordering in unnecessarily large quantities.

b. Except for deliveries within the Sacramento and Los Angeles urban areas, Materials Services Section's shipments are made by common carriers. Regardless of carrier, delivery service is limited to readily accessible street level receiving facilities.

7-4. **REQUEST PROCEDURES FOR MATERIAL SERVICES.** Request procedure for a purchase from Materials Services is as follows:

a. Preparation of a Request for Procurement Action (RFP), on a OTAG Form 37-3-4 as required by the respective fund manager. RFP will contain the following information:

(1) Title of organization making request (office symbol is sufficient for OTAG staff elements) and proper and complete delivery address. Standard delivery addresses are assigned for Materials Services orders. Once a standard shipping address is established, requests to change delivery points must be forwarded through the fund manager to Purchasing and Contracting Branch.

(2) Noun description of required article and complete 12-digit SLAMM stock item (catalog) number. A maximum of 12 line items may be ordered on each OTAG Form 37-3-4. The 12 items for each OTAG Form 37-3-4 must be listed in ascending order by stock number. Following the twelfth item the price extension column will be totaled. As many sheets of 12 items each may be submitted at one time as required.

(3) Forms, publications, general supply items, janitorial items, etc can be requested on the same form. However, publication orders normally require more research and may delay an order. Depending upon your urgency of need, you may want to consider ordering publications separately.

b. RFP will be forwarded to the responsible fund manager for approval.

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c. Fund managers will sign the RFPA indicating approval and will specify the account from which this purchase is to be taken and forward approved RFPA in accordance with procedures established in Chapter 4, paragraph 3.C of this regulation.

d. Example of RFPA for Stores orders will be found at Figures 7-1 and 7-2, pages G-1 and G-2. Example of Form GSMS-3 will be found at Figure 7-3, page G-3.

**7-5. PROCESSING TIME REQUIREMENTS.** For planning purposes, requesting activities may assume that Materials Services orders will be processed by Purchasing and Contracting Branch within 14 working days after receipt. During peak periods (i.e. State/Federal fiscal year end), processing may require additional working days. Orders will be filled by Stores within 30 to 45 working days after receipt of order.

**7-6. RETURN OF STOCK FOR CREDIT.** Return of stock for credit requires prior arrangement with Materials Services. If stock is defective, ordered in error, or surplus to the needs of the organization, a memorandum describing the problem will be sent to Purchasing and Contracting Branch through the concerned fund manager. Stock will be returned to State Stores only after specific instructions have been issued by the Purchasing and Contracting Branch.

**7-7. OVER, SHORT, OR DAMAGED ITEMS (OSD).** If an over, short, or damaged (OSD) delivery is received from Materials Services, Purchasing and Contracting Branch should be notified immediately. Purchasing and Contracting Branch will provide guidance on completion of the Notice of Exception Form (GSMS-3) which must be submitted to State Stores within 10 days after the delivery/receipt date. State Stores will not research any discrepancies if Form GSMS-3 is not received by the designated deadline.

**7-8. REPORT OF SUPPLIES NOT RECEIVED.** Supplies ordered and not received must be reported within 30 days from the date the order was issued to State Stores. No adjustments will be made on Material Services invoices issued by Department of General Services 60 days after the invoice date.

## CHAPTER 8

### SPECIAL PURCHASES

**8-1. PRINTING.** a. The Administrative Office, OTAG, maintains limited capability for printing and other reproduction.

(1) OTAG Administrative Office publishes guidelines for requesting activities to determine Military Department printing capability.

(2) Requesting activities should request printing support utilizing Administrative Office work order forms and submit requests through channels of approval designated by that office.

(3) Telephonic inquiries to the Chief, Reproduction Section may be utilized to determine department capabilities for specific projects.

b. In cases where the Administrative Office cannot support the printing requirement, a purchase request (OTAG Form 37-3-4) should be prepared describing the work required and forwarded to the fund manager.

(1) The fund manager should consult directly with Purchasing and Contracting Branch to determine what further information will be required to obtain a cost estimate from Office of State Printing (OSP).

(2) When the cost estimate is prepared, the concerned fund manager will be asked to provide funding approval or to cancel the project.

c. Purchasing and Contracting Branch is the only Military Department contact point with OSP for the purpose of estimating a printing job.

(1) If OSP cannot accomplish a printing job in time to meet a requirement deadline or if OSP cannot provide the required style, design, or format, Purchasing and Contracting Branch will attempt to secure permission of OSP to contract with a private printer. The justification for obtaining this permission will be submitted to the Purchasing and Contracting Branch by the fund manager requesting the printing.

(2) If outside printing authorization is obtained from OSP, Purchasing and Contracting Branch will contract for the printing.

d. Orders for printing and related services will be placed only by the Purchasing and Contracting Branch after receipt of authorization to do so by OSP.

e. Example of RFPA for printing order will be found at Figure 8-1, page H-1.

**8-2. BUSINESS CARDS.** a. Official State business cards may be authorized for those State employees determined by the respective fund manager to engage in sufficient public contact work that personalized business cards are an advantage to the Military Department.

(1) **State Employees.** All State Active Duty employees in the grade of 04 or higher will be provided business cards upon submission of a written request to OTAG Office of Administration (CAAS). Exceptions to this policy must have the approval of the appropriate Deputy Adjutant General (DAG), Assistant Adjutant General (AAG) or their designated representative. Upon DAG/AAG approval, the request will be forwarded to CAAS for processing.



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(2) **Federal Employees.** Federal personnel in the grade of 06 or higher employed at OTAG have been deemed to be representatives of the Military Department and will be provided a state business card upon submission of a written request to CAAS. Other federal employees performing duties of a direct benefit to the State of California, as determined by the appropriate DAG or AAG, will be provided with state business cards.

b. Fund managers determine the format of the business cards from those authorized in SAM 2832.

c. Business cards are procured only from OSP.

d. Requests for official State business cards will be submitted on a purchase request (OTAG Form 37-3-4) with a completed Business Card Instruction Sheet attached and transmitted by the fund manager through CAAS. Upon approval, requests will be forwarded in accordance with procedures established in Chapter 4, paragraph 3.c of this regulation. An example of a purchase request and a Business Card Instruction Sheet will be found at Figures 8-2 and 8-3, pages H-2 and H-3, respectively.

8-3. **RUBBER STAMPS.** a. Rubber stamps are produced by OSP and are generally limited to letters, numerals and symbols found on a standard typewriter keyboard.

b. Requests for rubber stamps will be made on OTAG Form 37-3-4 through the fund manager and forwarded in accordance with procedures established in Chapter 4, paragraph 3.c of this regulation. Requests must include the following information:

(1) Identification of requesting activity and delivery address.

(2) Actual wording, spacing, style of type and punctuation desired on the stamp. OSP does not place borders (edging) around a stamp unless this is specifically requested. A cost estimate sheet and samples of available typefaces are available upon request from the Purchasing Section to assist you in establishing the cost of any stamps that may be ordered.

(3) Account from which the fund manager desires the cost to be taken.

c. Example of RFPA for rubber stamp order will be found at Figure 8-4, page H-4.

8-4. **NEWSPAPER AND PERIODICAL SUBSCRIPTIONS.** a. Newspaper and periodical subscriptions will be ordered only when commercial press clipping services will not provide the information required.

b. Subscriptions are requested on a purchase request (OTAG Form 37-3-4) through the fund manager and forwarded in accordance with procedures established in Chapter 4, paragraph 3.c of this regulation. When the request arrives it must include the account to which the purchase should be charged. Order and renewal forms will be attached to the requesting RFPA (never mailed directly to the newspaper or periodical).

c. Requesting activities are not authorized to subscribe to any publication or renew subscriptions prior to issuance of a purchase order.

d. At the time the subscription expires, a new purchase order must be issued if the activity desires to continue receiving the publication. The procedure to "renew" a subscription is identical to the procedure to obtain the initial subscription.

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(1) Purchasing and Contracting Branch does not monitor expiring periodical subscriptions and does not "renew" any publications without a new request.

(2) Activities desiring to continue to receive a publication under subscription must insure that a RFPA reaches Purchasing and Contracting Branch with sufficient lead time (normally 60 days) to enable action to be taken prior to the subscription expiration.

**8-5. OFFICE FURNITURE.** a. Items of office furniture required for Military Department facilities are requested without reference price quotation to the fund manager level. The concerned fund manager will determine the availability of the required item(s) of furniture from the Facilities Branch.

b. If an item of required furniture is not available from the Military Department Depot stock, the Department State Property Officer will determine availability from Department of General Service Property Reutilization Section.

c. If the item of furniture is neither available from Depot stock nor from DGS reutilization, a RFPA will be forwarded by the responsible fund manager for procurement action in accordance with procedures established in Chapter 4, paragraph 3.C of this regulation.

d. Usual method of acquisition will be to purchase from Prison Industry Authority (PIA) based upon the SPS for furniture. Furniture is also available on State Contract. If the item of furniture is not available from PIA or State Contract, (both of which are mandatory sources) then the item must be purchased on a competitive basis.

**8-6. SURPLUS PROPERTY.** The Military Department procedures for screening, acceptance and purchase of surplus property are as follows:

a. **Category 1 Representative.** The Comptroller (CAST) is the designated Category 1 representative for the department. Category 1 allows individuals to accept and obligate the Military Department for funding encumbrance purposes. All procurement actions for surplus property must have prior approval of the Category 1 representative.

b. **Category 2 Representative.** Category 2 representatives must be designated, in writing, by an authorized Category 1 representative to select and take delivery of property and to sign the Office of Surplus Property Agency's distribution document acknowledging receipt of property. Confirming signature of an authorized Category 1 representative must also be obtained before the transaction can be completed.

To establish Category 2 representatives, fund managers must initially identify individuals and the reason for obtaining surplus property. This must be accomplished in writing to the Category 1 representative. The request must include a statement of the qualifications/experience for each individual nominated as a Category 2 representative. Examples of qualifications are:

- (1) Program Director and funding approval authority.
- (2) Previous surplus property screener.

The Category 1 representative will then submit, in writing, to the Department of General Services, Office of State Surplus, a letter identifying the individuals and their qualifications to be approved for Category 2 representatives.

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Upon approval, the Office of State Surplus will issue an official identification card that will allow access and screening authorization to State and/or Federal surplus property locations.

c. Designated surplus property and screening locations are as follows:

- (1) State-owned property located at 1421 North Market Blvd., Sacramento, CA 95834.
- (2) Federal property, located at 1421 North Market Blvd., Sacramento, CA 95834, previously donated to the State Surplus Office.
- (3) Federal property available at Department of Defense Reutilization Management Offices (DRMO), primarily located on Military Bases.

d. Prior to submission of a request for surplus property, the Purchasing and Contracting Branch, OTAG, will be contacted for guidance and additional information.